

AMENDED IN ASSEMBLY MAY 1, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2045**

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**Introduced by Assembly Member Parra**

February 15, 2006

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An act to amend Sections 17070.15, 17070.63, and 17075.15 of, and to add Section 17070.64 to, the Education Code, relating to school facilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2045, as amended, Parra. School facilities: funding.

Existing law, the Leroy F. Greene School Facilities Act of 1998 (the Greene Act), establishes a program in which the State Allocation Board is required to provide state per-pupil funding for construction and modernization of school facilities. Existing law provides that any appropriations made pursuant to the Greene Act constitute the full and final state contribution to a school construction project and requires that, as a condition of receipt of funds, a school district certify that the grant amount, combined with local funds, is sufficient to complete the school construction project for which the grant is intended.

This bill would establish an exception that would authorize the State Allocation Board to approve a supplemental apportionment of up to 10% of the cost of a project in order to ensure that all minimum essential facilities, *as defined*, are included in the project. This bill would permit the State Allocation Board to approve the supplemental apportionment if it determines that the apportionment would cover cost increases that are beyond the control of the school district.

Existing law provides that school districts that can demonstrate that they are not financially able to meet the local funding requirements

under the Greene Act are eligible for additional funding for school facilities.

This bill would increase from \$5,000,000 to \$7,500,000 the total bonding capacity that a school district may have to continue to qualify for financial hardship funding. This bill also would add assessed valuation of real property per pupil in the school district and median personal income in the census tracts of the school district to the considerations for determining the existence of financial hardship.

This bill also would reorganize an existing provision of law and would make technical, nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 17070.15 of the Education Code is  
2     amended to read:  
3     17070.15. The following terms, wherever used or referred to  
4     in this chapter, shall have the following meanings, respectively,  
5     unless a different meaning appears from the context:  
6     (a) “Apportionment” means a reservation of funds for the  
7     purpose of eligible new construction, modernization, or hardship  
8     approved by the board for an applicant school district.  
9     (b) “Attendance area” means the geographical area serving an  
10    existing high school and those junior high schools and  
11    elementary schools included therein.  
12    (c) “Board” means the State Allocation Board as established  
13    by Section 15490 of the Government Code.  
14    (d) “Committee” means the State School Building Finance  
15    Committee established pursuant to Section 15909.  
16    (e) “County fund” means a county school facilities fund  
17    established pursuant to Section 17070.43.  
18    (f) “Department” means the Department of General Services.  
19    (g) “Fund” means the applicable 1998 State School Facilities  
20    Fund, the 2002 State School Facilities Fund, or the 2004 State  
21    School Facilities Fund, established pursuant to Section 17070.40.  
22    (h) “Good repair” has the same meaning as specified in  
23    subdivision (d) of Section 17002.  
24    (i) “Minimum essential facilities” means the following  
25    required facilities for a schoolsite:

1 (1) ~~A cafeteria~~ *cafeteria/multipurpose room.*

2 (2) ~~A library~~ *library/media and technology center.*

3 (3) A gymnasium.

4 ~~(4) A multi-purpose room.~~

5 ~~(5) A media and technology center.~~

6 ~~(6) Offices for administrative personnel.~~

7 (4) *For a high school campus, a performance stage in an*  
8 *existing building.*

9 (j) “Modernization” means any modification of a permanent  
10 structure that is at least 25 years old, or in the case of a portable  
11 classroom, that is at least 20 years old, that will enhance the  
12 ability of the structure to achieve educational purposes.

13 (k) “Portable classroom” means a classroom building of one or  
14 more stories that is designed and constructed to be relocatable  
15 and transportable over public streets, and with respect to a single  
16 story portable classroom, is designed and constructed for  
17 relocation without the separation of the roof or floor from the  
18 building and when measured at the most exterior walls, has a  
19 floor area not in excess of 2,000 square feet.

20 (l) “Property” includes all property, real, personal or mixed,  
21 tangible or intangible, or any interest therein necessary or  
22 desirable for carrying out the purposes of this chapter.

23 (m) “School building capacity” means the capacity of a school  
24 building to house pupils.

25 (n) “School district” means a school district or a county office  
26 of education. For purposes of determining eligibility under this  
27 chapter, “school district” may also mean a high school  
28 attendance area.

29 SEC. 2. Section 17070.63 of the Education Code is amended  
30 to read:

31 17070.63. (a) The total funding provided under this chapter  
32 constitutes the full and final contribution of the state to the  
33 project and for eligibility for state facilities funding represented  
34 by the number of unhoused pupils for which the school district is  
35 receiving the state grant. As a condition of receipt of funds, a  
36 school district shall certify that the grant amount, combined with  
37 local funds, shall be sufficient to complete the school  
38 construction project for which the grant is intended.

39 (b) (1) Notwithstanding subdivision (a), the board may  
40 approve a request for a supplemental apportionment of up to 10

1 percent of the cost of a project for which the final apportionment  
2 has been made in order to ensure that all minimum essential  
3 facilities are included in the project.

4 (2) A supplemental apportionment may only be approved if  
5 the board determines that the supplemental apportionment would  
6 be used to cover cost increases that occurred during the bidding  
7 process or the project completion that were beyond the control of  
8 the school district.

9 (c) Any funds provided to a school district under any article in  
10 this chapter does not count towards the local contribution of  
11 funds required for receipt of funds under any other article in this  
12 chapter.

13 SEC. 3. Section 17070.64 is added to the Education Code, to  
14 read:

15 17070.64. Any savings achieved by the efficient and prudent  
16 expenditure of funds provided to a school district under this  
17 chapter shall be retained by the school district in the county fund  
18 for expenditure by the school district for other high priority  
19 capital outlay purposes.

20 SEC. 4. Section 17075.15 of the Education Code is amended  
21 to read:

22 17075.15. (a) From funds available from any bond act for the  
23 purpose of funding facilities for school districts with a financial  
24 hardship, the board may provide other construction,  
25 modernization, or relocation assistance as set forth in this chapter  
26 or Chapter 14 (commencing with Section 17085) to the extent  
27 that severe circumstances may require, and may adjust or defer  
28 the required local contribution of funds, as pupil health and  
29 safety considerations require to the extent that bond act funds are  
30 provided for this purpose.

31 (b) The board shall adopt regulations for determining the  
32 amount of funding that may be provided to a school district, and  
33 the eligibility and prioritization of funding, under this article.

34 (c) The regulations shall define the amount, and sources, of  
35 financing that the school district could reasonably provide for  
36 school facilities as follows:

37 (1) Unencumbered funds available in all facility accounts in  
38 the school district including, but not limited to, fees on  
39 development, redevelopment funds, sale proceeds from surplus  
40 property, funds generated by certificates of participation for

1 facility purposes, bond funds, federal grants, and other funds  
2 available for school facilities, as the board may determine.

3 (2) The board may exclude from consideration all funds  
4 encumbered for a specific capital outlay purpose, a reasonable  
5 amount for interim housing, and other funds that the board may  
6 find are not reasonably available for the project.

7 (d) Further, the regulations shall also specify a method for  
8 determining required levels of local effort to obtain the required  
9 local contribution of funds. The regulations shall include  
10 consideration of at least all of the following factors:

11 (1) Whether a school bond measure has been approved by the  
12 voters of the school district within the two-year period  
13 immediately preceding the application for funding under this  
14 article, the proceeds of which are substantially available for use  
15 in the project to be funded under this chapter, but remains unable  
16 to provide the required local contribution of funds.

17 (2) Whether the principal amount of the current outstanding  
18 bonded indebtedness issued for the purpose of constructing  
19 school facilities for the school district and secured by property  
20 within the school district or by revenues of, or available to, the  
21 school district, which shall include general obligation bonds,  
22 Mello-Roos bonds, school facility improvement district bonds,  
23 certificates of participation, and other debt instruments issued for  
24 the purpose of constructing school facilities for the school district  
25 and for which owners of property within the school district or the  
26 school district are paying debt service is at least 60 percent of the  
27 ~~school district's~~ total bonding capacity *of the school district*, as  
28 determined by the board.

29 (3) Whether the total bonding capacity, as defined in Section  
30 15102 or 15106, as applicable, is seven million five hundred  
31 thousand dollars (\$7,500,000) or less, in which case, the school  
32 district shall be deemed eligible for financial hardship.

33 (4) Whether the total assessed valuation of real property in the  
34 school district divided by the number of pupils in the school  
35 district is less than 50 percent of the average assessed valuation  
36 of real property per pupil of school districts of the same type  
37 statewide, in which case, the school district shall be deemed  
38 eligible for financial hardship.

39 (5) Whether the median personal income in at least 75 percent  
40 of the census tracts in the school district is less than 50 percent of

1 the statewide median personal income, in which case, the school  
2 district shall be deemed eligible for financial hardship.

3 (6) Whether the application for funding under this article is  
4 from a county superintendent of schools.

5 (7) Whether the school district submits other evidence of  
6 substantial local effort acceptable to the board.

7 (8) The value of any unused local general obligation debt  
8 capacity, and developer fees added to the needs analysis to reflect  
9 the ~~district's~~ financial hardship *of the district*, available for the  
10 purposes of school facilities financing.